

House Engrossed Senate Bill

State of Arizona
Senate
Forty-fifth Legislature
First Regular Session
2001

CHAPTER 347

SENATE BILL 1118

AN ACT

ESTABLISHING A PRESCRIPTION MEDICATION COVERAGE PILOT PROGRAM; MAKING
APPROPRIATIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Prescription medication coverage pilot program

3 A. Subject to the availability of monies, the Arizona health care cost
4 containment system administration shall establish a pilot program to expand
5 services provided pursuant to title 36, chapter 29, article 1, Arizona
6 Revised Statutes, to include prescription medication coverage for a person
7 who is all of the following:

8 1. Is qualified for medicare.

9 2. At or above one hundred per cent and at or below two hundred per
10 cent of the federal poverty guidelines as updated annually in the federal
11 register by the United States department of health and human services. The
12 administration shall include only the applicant's income to determine the
13 applicant's qualification under this paragraph.

14 3. A resident of this state.

15 4. One of the following:

16 (a) A resident of a county that does not have a medicare health
17 maintenance organization.

18 (b) A resident of a county that has a medicare health maintenance
19 organization that does not provide prescription drug benefits.

20 B. The administration may contract with a pharmaceutical benefit
21 management company and shall cover fifty per cent of the cost of an enrolled
22 person's prescription medication that exceeds the deductible amount for that
23 person established pursuant to subsection C or D of this section.

24 C. The administration or a pharmaceutical benefit management company
25 operating under contract with the administration pursuant to subsection B of
26 this section shall issue an enrollment card for an eligible person who pays
27 an enrollment fee established by the administration. Any fee collected
28 pursuant to this subsection shall be deposited in the prescription medication
29 coverage fund established pursuant to subsection E of this section.
30 Enrollment is valid for one year from the date the card is issued, except
31 that the administration or pharmaceutical benefit management company shall
32 not issue an enrollment card to any person after December 30, 2002, and all
33 enrollment cards issued from and after July 1, 2002, shall expire no later
34 than July 1, 2003. No benefits shall be provided pursuant to this section for
35 prescriptions purchased from and after July 1, 2003. The enrollment card
36 shall track purchases at pharmacies and provide benefits pursuant to
37 subsection B of this section once that person has met the deductible amount.

38 The deductible amounts are:

39 1. For a person eligible pursuant to subsection A of this section with
40 an annual income greater than one hundred per cent but not more than one
41 hundred fifty per cent of the federal poverty guidelines, five hundred
42 dollars.

43 2. For a person eligible pursuant to subsection A of this section with
44 an annual income greater than one hundred fifty per cent but not more than
45 two hundred per cent of the federal poverty guidelines, one thousand dollars.

1 D. The administration may reduce the deductible amount required for
2 eligibility by not more than three hundred dollars if less than seventy-five
3 per cent of the monies appropriated for the previous fiscal year have not
4 been spent.

5 E. The prescription medication coverage fund is established consisting
6 of monies received pursuant to subsection C of this section and legislative
7 appropriations. The administration shall administer the fund. Monies in the
8 fund are continuously appropriated and are exempt from the provisions of
9 section 35-190, Arizona Revised Statutes, relating to lapsing of
10 appropriations, except that any unexpended or unencumbered funds remaining
11 in the fund on September 30, 2003, shall revert to the tobacco tax medically
12 needy account established pursuant to section 36-774, Arizona Revised
13 Statutes.

14 F. The administration shall use a simplified eligibility form that the
15 applicant may mail to the administration and that screens the applicant for
16 eligibility in other programs offered by the administration.

17 G. The administration or the pharmaceutical benefit management company
18 shall promptly send reimbursement payments to pharmacies upon receipt of
19 claims.

20 H. The administration or the pharmaceutical benefit management company
21 shall cover only purchases of prescription medication approved by the federal
22 food and drug administration and purchased within the United States.

23 I. The administration or the pharmaceutical benefit management company
24 shall not purchase or distribute medication for persons who are enrolled in
25 the program.

26 Sec. 2. Exemption from rule making

27 A. To implement this act, the Arizona health care cost containment
28 system administration is exempt from the rule making requirements of title
29 41, chapter 6, Arizona Revised Statutes.

30 B. The administration shall provide the public with at least two
31 opportunities to comment on proposed rules adopted by the administration
32 pursuant to this section.

33 Sec. 3. Appropriations; purpose; exemption

34 A. The sum of \$3,900,000 is appropriated from the tobacco tax
35 medically needy account established pursuant to section 36-774, Arizona
36 Revised Statutes, in fiscal year 2001-2002 and \$4,100,000 in fiscal year
37 2002-2003 to the prescription medication coverage fund established pursuant
38 to section 1 of this act. If the funds during fiscal year 2001-2002 have
39 been exhausted, the administration shall not pay claims until the next fiscal
40 year.

41 B. The sum of \$400,000 is appropriated from the tobacco tax medically
42 needy account established pursuant to section 36-774, Arizona Revised
43 Statutes, in fiscal years 2001-2002 and 2002-2003 to the Arizona health care
44 cost containment system administration for administrative expenses necessary
45 to implement this act.

1 C. The appropriations made in this section are exempt from the
2 provisions of section 35-190, Arizona Revised Statutes, relating to lapsing
3 of appropriations.

4 Sec. 4. Repeal

5 A. This act is repealed on either October 1, 2003, or the date on
6 which a federal law takes effect that provides prescription medication
7 coverage to medicare beneficiaries that is equal to or greater than the
8 coverage provided to persons eligible for assistance pursuant to this act,
9 whichever date first occurs.

10 B. If this act is repealed before October 1, 2003, because of action
11 taken by the federal government as prescribed by this section, the director
12 of the Arizona health care cost containment system administration shall
13 notify the director of the Arizona legislative council in writing of the date
14 on which the federal law took effect. After this act is repealed, the
15 administration shall provide reimbursement for active enrollment cards until
16 they expire pursuant to section 1, subsection C of this act.

APPROVED BY THE GOVERNOR MAY 7, 2001.


FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 7, 2001.

3 Nays, 3 Not Voting


Jake Flake
Speaker of the House
Pro Tempore

Norman L. Moore
Chief Clerk of the House

0 Nays, 1 Not Voting



President of the Senate



Secretary of the Senate

S.B. 1118

SENATE CONCURS IN HOUSE
AMENDMENTS AND FINAL PASSAGE

Passed the Senate May 01, 20 01,

by the following vote: 16 Ayes,

13 Nays, 1 Not Voting

Randall Smith
President of the Senate

Charmine Bellington
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

1 day of May, 2001,

at 4:52 o'clock P M.

Sandra Ramirez
Secretary to the Governor

APPROVED THIS 7th day of

May, 2001,

at 2:34 o'clock P M.

Jon Kyl
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 7 day of May, 2001,

at 5:00 o'clock P M.

Betsy Boyles
Secretary of State

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